

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF ARKANSAS
EASTERN DIVISION

RABO AGRIFINANCE, INC.

PLAINTIFF

vs.

Case No. 2:14-CV-111-JM

TURNER GRAIN MERCHANDISING, INC.;
JASON T. COLEMAN; and
DALE C. BARTLETT.

DEFENDANTS

MOTION FOR APPOINTMENT OF RECEIVER

Plaintiff Rabo Agrifinance, Inc. (“Rabo”), for their motion for appointment of receiver against individual Defendant Turner Grain Merchandising Inc., (“Turner Grain”), state:

1. Rabo is the holder of a Line of Credit Note, co-made by the Defendants in an amount not to exceed \$1,000,000 (*See* Cmplt. Exh. B).
2. The Defendants executed a Credit Agreement to secure payment under the Line of Credit Note.
3. Rabo is entitled to enforce the Line of Credit Note and the Credit Agreement pursuant to its Security Agreement and its perfect security interest via a UCC Financing Statement filed on January 6, 2014, with the Arkansas Secretary of State.
4. The Defendants have granted the Security Agreement, which gives Rabo a security interest in all accounts, inventory, equipment, fixtures, farm products, general intangibles, proceeds of crop insurance, price support payment, or other governmental program, rights and interests under Hedging Agreements, accessions, attaches and other additions to the collaterals; substitutes or replacement for collateral, all proceeds, products, rents, and profits of

any collateral including rights under warranties and insurance contracts, and causes of action relating to collateral, and all books and records pertaining to any collateral.

5. The Defendants have defaulted under the Line of Credit Note and the Credit Agreement, by their failure to satisfy the obligations owed thereunder.

6. The Defendants are currently perceived to be insolvent and are defaulting on various agreements with multiple farmers, operators, shippers, dealers, and brokers across many states. *See* News Articles attached as Motion Exhibit 1.

7. The Defendant's Agent for Service has resigned. *See* Arkansas Secretary of State Printout attached as Motion Exhibit 2.

8. Upon sufficient information and belief, Turner Grain does not have any remaining shareholders who have not surrendered their shares or any remaining corporate officers who have not relinquished their office. Therefore, there is no one currently at Turner Grain who is authorize to act on behalf of the company to answer the complaints against it, to secure assets for collection, to take an accounting of all claims against it, and to complete other vital tasks that are now necessary due to Turner Grains' insolvent status.

9. Currently, there are actions pending in the Circuit Courts of Lee County, Lonoke County, Arkansas County, and in the United States District Court, Eastern District of Arkansas against Turner Grain. Upon sufficient information and belief, there are numerous other counties in Arkansas in which actions may soon be brought, all of which will have differing theories of recovery and will allege various causes of actions against Turner Grain. This will lead to a risk of conflicting and inconsistent rulings dealing with claims and ownership of assets.

10. The collateral securing the Defendants obligations consists of personal property located in Lee County, Arkansas as well as various counties throughout Arkansas and other states.

11. This Court has the power to appoint a receiver for any lawful purpose when such appointment is necessary and proper. FED. R. CIV. P. 66.

12. Rabo is a property party to seek this appointment because “[t]he appointment of a receiver by a federal court may be sought by any person or class having an interest in property that a statute or one of the general principles of equity authorizes the court to protect by this remedy.” § 2983 Appointment of Receivers, 12 Fed. Prac. & Proc. Civ. § 2983 (2d ed.).

13. Under federal law, appointment of receiver is not a drastic remedy. *United States v. Berk & Berk*, 767 F. Supp. 593, 598 (D.N.J. 1991).

14. Creditors are entitled to appointment of receiver to manage secured property when the adequacy of that security for a loan is substantially doubtful, the financial strength of the debtor is doubtful, and there is a danger that the property might be diminished in value. *Aviation Supply Corp. v. R.S.B.I. Aerospace, Inc.*, 999 F.2d 314, 316 (8th Cir. 1993).

15. A hearing on the appointment of a receiver is not necessary “where facts support appointment of receiver.” *United States v. Berk & Berk*, 767 F. Supp. 593, 597 (D.N.J. 1991) (citing *United States v. Mansion House Center North Redevelopment Co.*, 419 F.Supp. 85, 87 (E.D.Mo.1976)). These facts can include “inadequate security for the loan” and “the unstable financial status of the [debtor].” *Id.*

16. It is in the public interest and the interests of the Defendants’ creditors that a receiver be appointed pending the resolution of this action. *New York Life Ins. Co. v. Watt W. Inv. Corp.*, 755 F. Supp. 287, 292 (E.D. Cal. 1991). The appointment of a receiver is the only

reasonable means to ensure that the interests of Rabo and the Defendants are protected pending the resolution of this action.

17. Rabo proposes that the receiver be Mr. Kevin Keech of the Keech Law Firm.

18. An affidavit of Mr. Keech's availability, qualifications, and non-conflict status is attached as Motion Exhibit 3.

19. "[R]eceptors have only those powers and duties conferred on them by the appointing court." *In re Teknek, LLC*, 343 B.R. 850, 882 (Bankr. N.D. Ill. 2006).

20. The receiver in this matter should be vested with broad powers to adequately take control and manage the assets of Turner Grain, including but not limited to "the day-to-day management of the business entity, including the authority to liquidate assets, the authority to pursue claims, and the authority to file for bankruptcy." *In re Bayou Grp., L.L.C.*, 363 B.R. 674, 683 (S.D.N.Y. 2007) *aff'd sub nom. In re Bayou Grp., LLC*, 564 F.3d 541 (2d Cir. 2009); *see also, In re Manhattan Inv. Fund, Ltd.*, 310 B.R. 500, 503 (Bankr.S.D.N.Y.2002) (recognizing receiver's capacity to file Chapter 11 bankruptcy petition); *S.E.C. v. Credit Bancorp, Ltd.*, 297 F.3d 127, 130 (2d Cir.2002); *Consol. Rail Corp. v. Fore River Ry. Co.*, 861 F.2d 322, 326 (1st Cir.1988).

For the reasons stated above, the Plaintiff, Rabo Agrifinance, Inc., respectfully requests that this Court appoint a receiver to manage Turner Grain pending the resolution of this action and grant that receiver the powers as outlined above.

WILLIAMS & ANDERSON PLC
111 Center Street, Suite 2200
Little Rock, Arkansas 72201
Telephone: (501) 372-0800
Facsimile: (501) 372-6453

By: /s/ James E. Smith

James E. Smith, Ark. Bar No. 77128
jsmith@williamsanderson.com

Counsel for Plaintiff Rabo Agrifinance, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on September 11, 2014, I filed a true and correct copy of the foregoing **Motion for Appointment of Receiver** with the Clerk of Court using the CM/ECF system, which will send notification of such filing to all counsel of record by electronic mail.

/s/ James E. Smith

James E. Smith

Update: Southern Farmers File Lawsuit Against Arkansas Grain Broker

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 Farmers lawsuit Lee County (3.4 MB) (/media/lib/183/3/1/4/3145f999-22e7-4769-86ef-536aa4faf913/Farmers_lawsuit.pdf)

Update (Aug. 20):

LITTLE ROCK, AR - A group of southern farmers has filed a lawsuit (see attached) against an East Arkansas grain broker.

The civil suit filed in Lee County Circuit Court follows their worries about financial fallout we first told you about on Monday.

Sources say dozens of farmers delivered grain to the broker and were not paid. Some of them that did receive payment say the checks bounced.

The lawsuit alleges fraud, theft and contract breaches.

Original story (Aug. 18):

BRINKLEY, AR - "Hopefully next week we'll start sampling," he said, pointing to the burnt orange on the top of the stalks.

Justin Higgins, 30, of Marianna is just weeks away from harvesting his fields.

"Farming is probably one of the most important things we have in this area," he said.

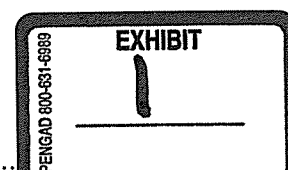
It's late in the season for farmers and many in East Arkansas, extending west to Lonoke, are wondering if the money they had budgeted on from their broker will be there. Higgins has done business with the local company in the past, like the majority of farmers he knows.

"Every little country store or parts store or bank, it's all anybody is talking about," Higgins said. "There's something new every time you talk to someone. No one really knows or understands what's going on right now."

Turner Grain Merchandising has reportedly handled millions in commodity contracts with farmers in Arkansas, Mississippi and Louisiana from its small brick building in Brinkley. Jason Coleman and Dale Bartlett were its known owners. Neither Coleman nor Bartlett could be reached for comment for this story.

Local sources tell us the firm's resources have dried up, with growers who have delivered their grain not getting paid and some holding checks that they can't cash.

Based on reports from farmers, Turner Grain acted as a middle man. They would reach out to large buyers like Tyson who would set a price and a quantity of grain they were looking to purchase. The process is often referred to as booking.



"So the idea was that company would agree to say six dollars a bushel and they needed one million bushels," one farmer who preferred not to be named said. "Turner Grain would then approach the farmers, who would book a portion of their crops, sometimes tens of thousands of bushels, at that price to be delivered after harvest."

In that scenario, Turner Grain would have relatively little skin in the game, taking a percentage or small fee for connecting the two.

Some speculate that Turner Grain may have extended its operations with some farmers, actually purchasing the grain and waiting for a buyer to connect with, thus increasing the price risk.

The process of dealing with a broker, according to farmers we spoke with, is about eliminating risk. While prices could increase from that set amount the farmer had booked, they could also fall. Often, farmers would base what they planted, and their yearly budgets, off the amounts they had booked, assuming those prices were secured.

"You never know. The past couple of years the prices have been better during the harvest, and it hasn't paid to book early," said Higgins. "But this year is one of those years where if you booked early you did good because the prices have really fallen."

Some farmers aren't sure whether their contracts on the books are valid, with some saying it isn't clear whether a buyer was ever lined up to take the grain at the harvest for the specified price. In that scenario, Higgins said, the farmer could be facing daunting losses.

"Whenever you get this far in the year and somebody tells you your contracts aren't any good, it's scary," he said. "If I hadn't booked my crops early, I would have to be selling it a dollar short today from what I had booked it at. A dollar might not sound like much, but you start multiplying that by thousands of bushels, and it can turn into \$100,000. I don't know anyone who \$100,000 wouldn't be a lot of money."

Let's say a farmer booked his corn with Turner at \$6 a bushel back in the spring. Since then, prices have plummeted to about \$3.50. So, if these contracts aren't valid, a farmer who booked 100,000 bushels at \$6 now faces a \$250,000 loss at the current price.

"You go figuring it up, and it doesn't take long to add up to some real big money," Higgins said.

"I don't have any firsthand knowledge," said Arkansas House Speaker Davy Carter. "But all sources would indicate there are tens of millions of dollars at play here."

If contracts aren't valid, or there's no one to buy it at the earlier agreed price, farmers could be facing those huge losses. That has Carter searching for solutions, that may not help now, but in the future.

"I've reached out to the chairman of the Agriculture Committee to see if we can look at how brokering is done in Arkansas and what, if any, additional regulations are needed. That might include bonds or insurance," Carter said. "We want to get all the facts to the table and see what can be done, because farmers are crucial to our economy. On the same note, we don't want to overreact. That's why we want a meeting to start gathering that information."

According to Carter, a meeting could come to start discussing those issues as soon as Friday.

Higgins also owns a parts shop in Marianna, and the ripple effect could reach his customers there and beyond.

"Almost everybody's job around here in one way or another is affected by it," he said. "If you're not a farmer you might work for a farmer or your selling gas, chemical or even food to a farmer. Banks are lending to farmers. I'm going to try and help out my customers because I know them. That's all you can do."

According to Higgins, while everyone is worried about the eventual outcome for farmers and their families, they are also concerned with those who worked for Turner Grain.

"The business in question, they're from here, too. You know, they're friends of ours. It's going to affect all of them, and we worry about them," Higgins said.

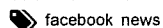
Ultimately, the hope is that no one will have to wave the white flag of surrender and go belly up. But according to the farmers we spoke with, it's unlikely anyone will come out ahead.

"It's devastating for these farmers and the farming families there," Carter said. "Farmers are crucial to our economy in the state. It's our state's largest industry. But I wouldn't count these folks out. Farmers are resilient and I imagine a great many of them will pull through."

Many sources we spoke with expect Turner Grain Merchandising to file for bankruptcy by next week at the latest. That possibility has farmers nervous as well. For those who are currently holding contracts, they are worried they might be forced to fulfill those, without assurances they'll receive the booked price or even market value for those crops if they become part of an asset pool in court.

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Arkansas Business: Turner Grain may be headed for bankruptcy

Arkansas farmers and elected officials are watching for word this week on a possible multimillion-dollar bankruptcy by a Brinkley grain company.

THV 11 Staff, news source 7:19 p.m. CDT August 18, 2014



(Photo: Arkansas Business)

LITTLE ROCK, Ark. (KTHV) - Arkansas farmers and elected officials are watching for word this week on a possible multimillion-dollar bankruptcy by a Brinkley grain company.

Arkansas Business Online Editor Lance Turner said that some farmers are preparing for a legal fight to recover lost money.

One lawyer has confirmed to Arkansas Business that he's been contacted by a group of farmers to represent them in the fallout from the collapse of Turner Grain Merchandising Inc. of Brinkley.

Little Rock attorney Donald K. Campbell III is that person, and he declined to provide more details.

Meanwhile, another company, grain and barge operation Bruce Oakley Inc. of North Little Rock, says it owes Turner Grain money, but that it's asking a judge to take that money and hold it until it can be decided how to divide it up among creditors.

All this as other sources tell Arkansas Business that Turner Grain is on the verge of filing for bankruptcy protection with losses said to be in the millions of dollars.

Incorporated in 2002, Turner Grain acts as a middle man between farmers and clients who wants buy farmers' grains. Turner will buy the farmer's supply and hold it until a customer wants to purchase it. After that sale, it pays the farmers.

But holding grain can be risky because of swings in commodity prices. One source told Arkansas Business that Turner Grain came out on the losing end when it hedged its bets against volatility in the market. The source said that when Turner tried to make up for losses, the losses only increased.

The company's problems could leave Arkansas farmers with breached contracts and big losses -- anywhere from hundreds of thousands of dollars to millions of dollars.

Arkansas Business attempted to reach officials at Turner Grain but they haven't returned calls.

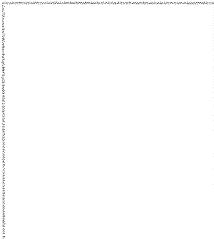
Meanwhile, Arkansas House Speaker Davy Carter is calling on the state House Agriculture, Forestry & Economic Development Committee to meet on the issue and see what, if anything, can be done to help farmers.

He said this isn't the first time farmers have found themselves in such a situation, and that farmers need assurances that contracts made in good faith will be honored.

Carter says the state should explore requiring companies like Turner to be bonded or to provide insurance to cover their losses in such situations.

You can read more at [Arkansasbusiness.com \(http://www.arkansasbusiness.com/article/100322/turner-grain-appears-headed-to-bankruptcy-losses-in-millions\)](http://www.arkansasbusiness.com/article/100322/turner-grain-appears-headed-to-bankruptcy-losses-in-millions).

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[Hearing set in case over Hot Springs water issue \(/story](#)

Brinkley Police Chief: Turner Grain Reports Turned Over to FBI



Marci Manley (http://www.arkansasmatters.com/story/d/story/marci-manley/90535/TOLJbj_EOkyetp-ZlWai1A)

9

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BRINKLEY, AR - The Brinkley Chief of Police reports he has turned over his files over to the FBI regarding a Brinkley-based commodity broker embroiled in scandal.

Turner Grain Merchandising, owned by Jason Coleman and Dale Bartlett, has allegedly defaulted on payments to farmers for delivered grain and issued hot checks as payment. According to various sources, losses for farmers and others connected to the industry could reach \$100 million.

A Federal Bureau of Investigation spokesperson in the Little Rock Field Office would neither confirm nor deny the FBI's involvement in the case.

See the related links at right for more about the Turner Grain issue.

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🔗 Southern Farmers File Lawsuit Against Arkansas Grain Broker (<http://www.arkansasmatters.com/story/d/story/update-southern-farmers-file-lawsuit-against-arkan/57155/3XPSNMMACUSLmBbAsJHXsg>)

🔗 What's Next in Arkansas Commodity Controversy? (<http://www.arkansasmatters.com/story/d/story/whats-next-in-arkansas-commodity-controversy/56822/KT300SpgbU6f2JBD8jch-g>)

🔗 Truckers Put in Park by Grain Broker Default (http://www.arkansasmatters.com/story/d/story/truckers-put-in-park-by-grain-broker-default/21755/oxwNeqFj_EKVd5j10Zkohw)

🔗 Grain Broker Rep Tied Up in Multi-Million Dollar Default Scandal (<http://www.arkansasmatters.com/story/d/story/grain-broker-rep-tied-up-in-multi-million-dollar-d/21547/Up4drXOSIUqTub-ZotSR7A>)

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10 most dangerous cities to raise children in (<http://www.bundoo.com/articles/10-most-dangerous-cities-to-raise-children-in/>) (Bundoo)

Dad Punches Man for Ogling His Daughter at Convenience Store (http://thestir.cafemom.com/in_the_news/175348/http://thestir.cafemom.com/in_the_news/175348/dad_punches_ogling_daughter) (Stirring Daily)

13 Secrets a Funeral Director Won't Tell You (<http://www.rd.com/slideshows/13-things-a-funeral-director-wont-tell-you/>) (Reader's Digest)

Abandoned Paris Home Was Left Un-Touched For 70 Years Wait Till You See What Was Inside (<http://www.boredlion.com/lost-parisian-apartment-is-an-unmatched-time-capsule-from-the-40s/>) (BoredLion)

Oregon Mom Guilty of Beating 4-Year-Old to Death Because He "Walked and Talked Gay" (<http://latest.com/2014/04/oregon-mom-guilty-of-beating-4-year-old-to-death-because-he-walked-and-talked-gay/>) (Latest.com)

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What's Next in Arkansas Commodity Controversy? (<http://www.arkansasmatters.com/story/d/story/whats-next-in-arkansas-commodity-controversy/56822/KT300SpgbU6f2JBD8jch-g>)

Maumelle Police Setting \$200 Fine for Cell Phones in School Zones (<http://www.arkansasmatters.com/story/d/story/maumelle-police-setting-200-fine-for-cell-phones-i/33310/IQwpQqX4LEyoF3xUHfNH5A>)

Break for Farmers Hit Hard by Grain Company Default (http://www.arkansasmatters.com/story/d/story/break-for-farmers-hit-hard-by-grain-company-default/41637/k_XV7_ibBkOnEYxiRikZSA)

Update: Southern Farmers File Lawsuit Against Arkansas Grain Broker (<http://www.arkansasmatters.com/story/d/story/update-southern-farmers-file-lawsuit-against-arkan/57155/3XPSNMMACUSLmBbAsJHXsg>)

Update: Murder-Suicide Investigation in Jonesboro (<http://www.arkansasmatters.com/story/d/story/update-murder-suicide-investigation-in-jonesboro/13259/trxup2YskkutMT019uZTg>)

Truckers Put in Park by Grain Broker Default (http://www.arkansasmatters.com/story/d/story/truckers-put-in-park-by-grain-broker-default/21755/oxwNeqFj_EKVd5j10Zkohw)

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Assistance request for farmers with Turner Grain contracts

Farmers are asking for help after they say a company in Brinkley broke several contracts putting them millions of dollars in the hole.

Alyssa Raymond, KTHV 10:51 p.m. CDT August 26, 2014



(Photo: KTHV)

BRINKLEY, Ark. (KTHV) - Farmers are asking for help after they say a company in Brinkley broke several contracts putting them millions of dollars in the hole.

Over the last several weeks, details continue to unfold about Turner Grain Merchandising, and on Tuesday the Arkansas Secretary of Agriculture requested the US Secretary of Agriculture to get involved. It is all in an effort to buy time for farmers and get them the emergency assistance they need.

"Fire, flood, high interest rates," said Dewayne Chappell. "Now, broken contracts."

Farmers like Dewayne Chappell endure a lot.

"That is pretty typical with any farmer," said Chappell. "They are going to go until they just cannot go."

Chappell grows soybeans, grain sorghum, corn, rice and wheat on about 7,000 acres in Cotton Plant. He says Turner Grain fulfilled his contract for wheat but not for corn.

"I had corn booked, upwards of five dollars and now it is \$3.60 delivered 20 miles away," said Chappell. "It is quite a bit of difference in price."

Chapel says he first had a verbal contract with Turner Grain back in February and then two months later he received a written contract for the company to pick up his corn next month."

"If we had to sell it right now it would be in the neighborhood of \$300,000," said Chappell.

Chappell says off hand he knows of at least 30 farmers affected, but a total number of people involved has not been released yet.

"It is going to be a heck of an impact on Arkansas agriculture," said Arkansas Secretary of Agriculture Butch Calhoun.

Calhoun says more than \$50 million is tied up in this.

"The producers are the ones reeling right now from the loss," said Calhoun.

Calhoun says the loss will have a ripple effect.

"Everybody depends on the money coming in," said Calhoun. "And now we are seeing that flow cut off in a lot of these areas. And it is not only going to be devastating for the farmers, but for the other people they work with and do business with in their communities."

Incorporated in 2002, Turner Grain acts as a middle man between farmers and clients who wants buy farmers' grains. Turner will buy the farmer's supply and hold it until a customer wants to purchase it. Then once the customer buys it, the farmers get paid. Chappell says he hopes the farmers get the money back they are owed.

"Regroup, do the best you can and move forward," said Chappell.

Many people have been wondering if the company has filed for bankruptcy. As of the time this story was published, Turner Grain has not.

Read or Share this story: <http://on.kthv.com/1tl6kdK>

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Sept. 10, 2014, 9:01 a.m.

[\(/story/news/local/2014/09/10/prescription-drug-summit/15382057/\)](http://story/news/local/2014/09/10/prescription-drug-summit/15382057/)

Turner Grain President Dale Bartlett Files for Bankruptcy

by Lee Hogan and Mark Friedman

Posted 9/5/2014 01:47 pm

Updated 2 days ago

Dale Bartlett, president of Turner Grain Merchandising Inc. of Brinkley, filed for voluntary individual bankruptcy protection Friday morning estimating up to \$10 million in debt.

The petition, filed in U.S. Bankruptcy Court, estimated Bartlett, of Marvell, had up to 49 creditors with liabilities between \$1 million and \$10 million. Bartlett reported estimated assets of between \$1 million and \$10 million.

A more detailed filing will come at a later date.

Bartlett filed under Chapter 12 of the bankruptcy code, which is designated for "family farmers" or "family fishermen" with a regular annual income. Under Chapter 12, debtors propose a repayment plan and make installments to creditors over three to five years.

More: View the filing here (PDF).

Among the creditors listed in the filing is Lance Gray of High Roads Farms of Helena. Gray is part of a group of farmers from Monroe, Phillips and Lee counties who have sued Turner Grain, its executives and related entities saying they haven't been paid for grains they sold to the Brinkley company. Another group of farmers have filed a separate lawsuit in Lonoke County.

A Lee County judge held a hearing in Gray's case last week after ordering Turner Grain and some of its related entities not to sell any assets that might belong to creditors.

Other creditors in Bartlett's bankruptcy filing include Farmers & Merchants Bank of Marianna, Helena National Bank of Helena and Bruce Oakley Inc. of North Little Rock, which filed an interpleader in the case on Aug. 19.

The creditors list also includes people and companies related to Turner Grain. Those include Jason Coleman, vice president of Turner Grain, Neauman Coleman of Marianna and Agri-Business Properties LLC of Brinkley.

More: Turner Grain's Jason Coleman hires an attorney.

The bankruptcy is the first filed by executives involved with Turner Grain since word of the company's financial troubles began circulating two weeks ago. Sources have told Arkansas Business that the company appears to be close to filing for bankruptcy protection, leaving the farmers with whom it does business worried about breached contracts and possible losses.

State agriculture officials have put the money at stake between \$20 million and \$50 million.

Incorporated in 2002, Turner acted as a middleman between the farmer and the client who wants to buy the grain. It would buy the farmer's supply and hold it until a customer wanted to purchase it.

Officials from Turner Grain have not answered repeated requests for interviews. The company had not filed for bankruptcy protection as of Friday.

Bruce Oakley Interpleader

Also Friday, attorneys for Turner Grain and Neauman Coleman & Co. filed their first responses in court.

Turner and related companies filed answers in U.S. District Court to the Bruce Oakley interpleader. On Aug. 27, Bruce Oakley amended the interpleader to name more than 20 entities that might have a claim on \$513,463 that Oakley owes Turner.

David Choate, vice president of grain and barge operation for Bruce Oakley, told Arkansas Business last month that the company wanted a judge to decide how to divide the money among Turner's creditors.

Oakley's amended interpleader said there might be another 20 companies or individuals who sold grain to Turner and might make a claim on the money.

In addition, the filing said, there might be up to seven financial institutions that provided financing in connection with Turner's business that might have a lien on the assets. The names of the companies aren't known, Oakley said in the filing.

Turner's attorney, Jim Tilley of Little Rock, wasn't immediately available for comment.

The filing also said that Neuman Coleman & Co. isn't involved in grain warehousing or grain transportation. But it is a commodities futures brokerage firm, the answer said.

Elliott was unavailable for comment Friday afternoon.

Mark Martin

Pay Franchise Tax for this corporation

**AFFIDAVIT OF KEVIN P. KEECH IN SUPPORT OF
APPLICATION TO SERVE AS RECEIVER**

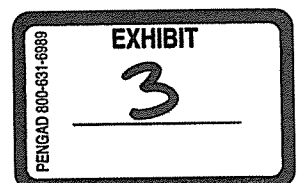
STATE OF ARKANSAS)
) ss:
COUNTY OF PULASKI)

Kevin P. Keech, being first duly sworn under oath, deposes and states as follows:

1. I ("Applicant") maintain an office at 4800 West Commercial Drive, North Little Rock, Arkansas 72116. I am in good standing with the bar of the State of Arkansas, and I am admitted to practice before the United States District Court for the Eastern and Western Districts of Arkansas, the United States Bankruptcy Court for the Eastern and Western Districts of Arkansas, and the 8th Circuit Court of Appeals. I submit this Affidavit in support of an Application to Serve as Receiver. I make this Affidavit to the best of my knowledge after diligent inquiry. Except as otherwise indicated, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify in accordance with the statements contained herein.

2. To the best of my knowledge, neither I, nor my law firm, Keech Law Firm, PA (the "Keech Firm"), nor any partner or employee of the Applicant, has any connection with Turner Grain Merchandising, Inc., its affiliates, its creditors or other parties in interest, or their attorneys and accountants, provided however, I met with Jason Coleman in the presence of other counsel to discuss the potential voluntary bankruptcy filing of Turner Grain Merchandising, Inc. and my firm has filed a voluntary chapter 13 petition for Charles Bozarth, a very minor unsecured creditor of Turner Grain Merchandising, Inc.

3. Subject to this Court's approval, the Applicant and the Keech Firm are willing to serve and is qualified to serve as receiver and to perform the services necessary to manage and oversee the orderly liquidation of Turner Grain Merchandising, Inc.

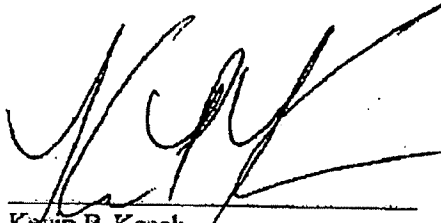


4. The Applicant intends to bill in accordance with its usual practice, applying its customary hourly rates for matters of this type, and charging for all disbursements customarily billed to its clients and necessarily or appropriately incurred. At present, services for the Applicant are billed as follows:

Kevin Keech	\$275.00 per hour
Associates	\$175.00 per hour
Legal Assistants	\$125.00 per hour

These hourly rates are subject to periodic increases in the normal course of the Applicant's business. The Applicant agrees to accept compensation only such sums as may be allowed by the Court based on the reasonableness of the time spent on particular tasks; the complexity of the issues involved; and the nature of the issues addressed.

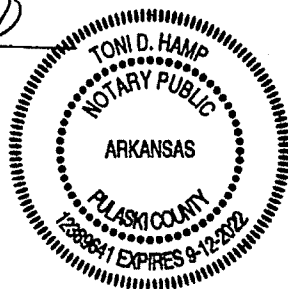
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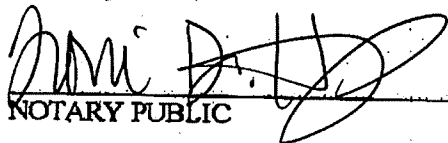

 Kevin P. Keech
 Ark. Bar No. 98147

Subscribed and sworn to before me this 8th day of September, 2014.

My Commission Expires:

9-12-2020
 (SEAL)




 NOTARY PUBLIC